

LEGAL NOTICE BY ORDER OF THE COURT

IF YOU PURCHASED GASOLINE FROM COSTCO IN THE STATES IDENTIFIED BELOW BETWEEN JANUARY 1, 2001 AND APRIL 22, 2009, YOU MAY HAVE A CLAIM UNDER THE SETTLEMENT DESCRIBED BELOW

READ THIS NOTICE AND FOLLOW THE INSTRUCTIONS CAREFULLY

*A federal court authorized this notice.
This is not a solicitation from a lawyer.*

The settlement agreement previously entered into by Costco Wholesale Corporation on or about April 12, 2009 (the “Original Settlement”) has been amended based on suggestions made by the Court. The parties entered into the amended settlement on or about January 3, 2011 (the “Amended Settlement”).

SETTLEMENT CLASS:

All persons who, between January 1, 2001 and April 22, 2009, purchased motor fuel from Costco at a temperature above 60 degrees Fahrenheit in any one of the following States: Alabama, Arizona, California, Florida, Georgia, Indiana, Kansas, Kentucky, Maryland, Missouri, Nevada, New Jersey, New Mexico, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, and Virginia.

The Amended Settlement pertains to lawsuits against retailers of gasoline and diesel fuel, including Costco. The cases were brought on behalf of all purchasers of gasoline and diesel fuel from various motor fuel retailers. The complaints allege that the defendants improperly sold motor fuel at temperatures above 60 degrees Fahrenheit without adjustment for the fuel’s temperature. Costco denies all liability and the cases have been vigorously contested.

If you are a member of the Settlement Class, your legal rights are affected whether or not you respond. **Your rights and options — and the deadlines to exercise them — are explained in this notice. *Read this notice carefully.***

**REMAIN IN
THE CLASS**

If you wish to stay in the class you do not need to do anything. You will not be able to sue Costco for the claims in these lawsuits and you will be bound by the Court’s decisions concerning the settlement.

EXCLUDE YOURSELF FROM THE CLASS	You can write and ask to be excluded from the class. This is the only option that may allow you to pursue on your own the claims against Costco that are asserted in these cases. If you previously requested to be excluded from the Original Settlement and wish to be excluded from the Amended Settlement, you must submit a new request to be excluded. Requests for Exclusion are due February 17, 2012.
OBJECT	Write to the Court about why you don't think the Amended Settlement is fair, reasonable, and adequate. Objections are due February 17, 2012.
GO TO A HEARING	Ask to speak in Court about the fairness of the Amended Settlement. The hearing will be held on March 22, 2012 in Kansas City, Kansas.
The Court still must decide whether to approve the Amended Settlement. Costco is required to take actions under the Amended Settlement only if the Court approves the Amended Settlement and after any appeals are resolved. Please be patient.	
BASIC INFORMATION	
The Amended Settlement applies to several lawsuits that make very similar claims.	
1. WHAT ARE THESE LAWSUITS ABOUT?	
<p>The lawsuits allege that gasoline and diesel fuel retailers committed fraud, violated state consumer protection laws, and were unjustly enriched by selling motor fuel without compensating for expansion of motor fuels that occurs as temperatures increase.</p> <p>Costco denies all allegations of wrongdoing and contends that it fully complied with the law. In addition, in December 2007, Costco posted a notice on its fuel dispensers stating:</p> <p style="padding-left: 40px;">This device dispenses gasoline solely by volume measured in standard gallons (231 cubic inches). It does not adjust for temperature or other factors which may affect the energy content of each gallon dispensed.</p>	
2. WHY IS THERE A PROPOSED AMENDED SETTLEMENT?	
<p>The Court has not decided in favor of Class Representatives or Costco. Instead, both sides agreed to a proposed settlement. Settlements avoid the costs and uncertainty of a trial and related appeals, while providing benefits to members of the Class. The Class Representatives and the attorneys for the class think the proposed settlement is best for all Class Members.</p> <p>On August 13, 2010, the Court denied final approval of the Original Settlement, but made suggestions for the parties to consider that would provide Class Members with additional protections. The Court has granted preliminary approval of the Amended Settlement. The Amended Settlement, however, has not been granted final approval by the Court and is subject to further review by the Court following another hearing. The Court ordered this notice be provided to inform Class Members.</p>	

3. HOW DO I KNOW IF I AM AFFECTED BY THE AMENDED SETTLEMENT?

You are a member of the Settlement Class and are affected by the Amended Settlement if you purchased gasoline from Costco at a temperature above 60 degrees, between January 1, 2001 and April 22, 2009, in one of the following states: Alabama, Arizona, California, Florida, Georgia, Indiana, Kansas, Kentucky, Maryland, Missouri, Nevada, New Jersey, New Mexico, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, and Virginia.

If you are a member of the Settlement Class, you are automatically included in the Amended Settlement. You can exclude yourself from the Settlement Class (“opt out”) by submitting a valid Request for Exclusion by February 17, 2012, as set forth below.

4. WHAT DOES THE AMENDED SETTLEMENT PROVIDE?

The Amended Settlement provides that Costco will convert its motor fuel pumps, subject to certain conditions, in Alabama, Arizona, California, Florida, Georgia, Kentucky, Nevada, New Mexico, North Carolina, South Carolina, Tennessee, Texas, Utah, and Virginia (“Conversion States”) to “automatic temperature correcting” pumps over the next five years to the extent allowed under the laws of those States. In each of the remaining States, *i.e.*, Indiana, Kansas, Maryland, Missouri, New Jersey, Oregon, or Pennsylvania (“Non-Conversion States”) Costco will convert its existing motor fuel pumps in the State to automatic temperature correcting pumps to the extent allowed under the law if Costco begins consistently to purchase motor fuel on a temperature-adjusted basis for sale in that state.

Under the Amended Settlement, Plaintiffs and Costco have specified a timetable for identifying and converting pumps that will be replaced with temperature correcting pumps in the Conversion States. No payments will be made to any class members, except as stated in section 10 below. If Costco experiences material disruption in its supply of gasoline in a State as a result of this agreement, Costco may choose to rescind the agreement to convert to temperature correcting pumps in that State.

The Original Settlement was specifically amended to provide for a Settlement Class consisting of 21 subclasses, one for each State covered by the settlement. In other words, Settlement Class members who purchased gasoline from Costco in one or more of the identified States now have a representative who purchased gasoline from Costco in that State. In addition to creating specific subclasses based on States in which class members purchased gasoline from Costco, in the Amended Settlement, Costco agreed to file compliance reports with the Court every 6 months and the parties agreed that any amount that the Court awards Class Counsel for attorneys’ fees and costs will be payable in accordance with a payment schedule set by the Court.

The Amended Settlement provides the following Class Representatives for each subclass:

Alabama Purchasers Subclass: Annie Smith

Arizona Purchasers Subclass: Christopher Payne

California Purchasers Subclass: Phyllis Lerner and Herb Glazer

Florida Purchasers Subclass: Mara Redstone

Georgia Purchasers Subclass: Brent Crawford
Indiana Purchasers Subclass: Victor Ruybalid
Kansas Purchasers Subclass: Zach Wilson
Kentucky Purchasers Subclass: Lisa McBride
Maryland Purchasers Subclass: Raphael Sagalyn
Missouri Purchasers Subclass: Brent Donaldson
Nevada Purchasers Subclass: Gary Kohut
New Jersey Purchasers Subclass: Richard Gaulauski
New Mexico Purchasers Subclass: Charles Byram
North Carolina Purchasers Subclass: Jean Neese
Oregon Purchasers Subclass: Shonna Butler
Pennsylvania Purchasers Subclass: Gerald Panto
South Carolina Purchasers Subclass: Joann Korleski
Tennessee Purchasers Subclass: Tamara Miller
Texas Purchasers Subclass: Priscilla Craft
Utah Purchasers Subclass: Jeff Jenkins
Virginia Purchasers Subclass: James Graham

Note: Although the Amended Settlement states that each subclass includes all persons who purchased fuel from Costco between January 1, 2001 and the “date of this Agreement,” the parties intend for the purchase period to run from January 1, 2001 to and including April 22, 2009.

5. IF THE PROPOSED AMENDED SETTLEMENT IS APPROVED, YOU WILL LOSE THE RIGHT TO BRING A LEGAL CLAIM AGAINST COSTCO RELATED TO THE USE OF TEMPERATURE ADJUSTMENT IN THE SALE OF GASOLINE.

The Amended Settlement does not give you the option of preserving any right you may have to seek independent relief against Costco. If the Amended Settlement is approved, and you do not exclude yourself from the settlement, your right to seek further or different relief against Costco will be eliminated, as described below.

Releases

Upon the Effective Date, Class Representatives and each Settlement Class member, and each of their respective, executors, representatives, heirs, successors, bankruptcy trustees, guardians, and all those who claim through them or who assert claims on their behalf, will be deemed to have completely released and forever discharged the Released Parties, and each of them, from any claim, right, demand, charge, complaint, action, cause of action, obligation, or

liability for any claim, including all claims for declaratory or injunctive relief, or for any type of restitution or damages or any other relief whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, which the Class Representatives or any Settlement Class member now has or ever had, from the beginning of the world to the Effective Date, resulting from, arising out of or in any way, directly or indirectly, connected to claims that are, or could have been, asserted in the lawsuits.

Except for the enforcement of the final judgment entered pursuant to this settlement, Class Representatives and Settlement Class members shall be enjoined from prosecuting any proceeding against any Released Party with respect to the conduct, services, fees, charges, acts, or omissions of any Released Party relating to all matters within the scope of this release or actions taken by a Released Party that are authorized or required by the Amended Settlement or by the Final Judgment.

“Released Parties” means Costco and its present, former, and future subsidiaries, affiliates, divisions, associates, agents, successors, predecessors, assignors, assignees, and/or assigns and each of their respective present, former or future, officers, directors, shareholders, agents and employees.

EXCLUDING YOURSELF FROM THE AMENDED SETTLEMENT

If you want to maintain the right to sue, or continue to sue, Costco based on claims you may have arising from gas sales by Costco on a non-temperature adjusted basis, you must exclude yourself from the Settlement Class, as described below. This is sometimes referred to as “opting out.”

6. HOW DO I EXCLUDE MYSELF FROM THE AMENDED SETTLEMENT?

To exclude yourself from the Settlement Class, you must submit a Request for Exclusion that states: “I request that I be excluded from the Amended Settlement in *In re Motor Fuel Temperature Sales Practices Litigation*, MDL Docket No. 1840.” You must also include (1) your full name, (2) current mailing address, (3) e-mail address (if opting out electronically), and (4) your signature (or an electronic signature consisting of “/s” plus your typed name). You must submit your Request for Exclusion **no later than February 17, 2012**, either via U.S. mail to the Settlement Administrator at P.O. Box 12985, Birmingham, AL 35202-2985, or online at <http://www.Costco.com/fuelsettlement.pdf>.

REQUESTS FOR EXCLUSION THAT ARE NOT POSTMARKED ON OR BEFORE FEBRUARY 17, 2012, OR SUBMITTED ELECTRONICALLY ON OR BEFORE THAT DATE WILL NOT BE HONORED.

You cannot exclude yourself by telephone. You cannot exclude yourself after the deadline or by submitting a request to any other location.

The Request for Exclusion must be signed by you (or contain your electronic signature consisting of “/s” plus your typed name). You cannot exclude yourself by having an actual or purported agent or attorney acting on behalf of you or a group of Settlement Class members sign the letter.

7. WHAT IF I OPTED OUT OF THE ORIGINAL SETTLEMENT?

If you **OPTED OUT** of the Original Settlement (*i.e.*, you asked to be excluded from the previous settlement), you will be **INCLUDED** in the Settlement Class unless you ask to be excluded from the Amended Settlement. If you wish to be excluded from the Amended Settlement, you must submit a **NEW Request for Exclusion no later than February 17, 2012**, as outlined in section 6 above.

8. IF I DON'T EXCLUDE MYSELF, CAN I SUE COSTCO FOR THE SAME THING LATER?

No. If the Amended Settlement is approved, unless you exclude yourself, you give up the right to sue Costco for relief arising from the claims that this Amended Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from the Settlement Class to continue your own lawsuit. Remember, **the exclusion deadline is February 17, 2012.**

9. DO I HAVE A LAWYER IN THE CASE?

The Class Representatives retained the following firms to represent them: Horn Aylward & Bandy, LLC, Girardi & Keese and Walters Bender Strohbehn & Vaughan, P.C. In connection with the preliminary approval of the Original Settlement, the Court appointed these firms to represent you and other Class Members. Together, the lawyers are called Class Counsel. You will not be charged by these lawyers for their work on the case. If you want to be represented by your own lawyer, you may hire one at your own expense.

10. HOW WILL THE LAWYERS AND CLASS REPRESENTATIVES BE PAID?

The Court will determine the fees and costs to be paid to Class Counsel, and, under the Amended Settlement, Costco agrees to pay Class Counsel any fees and costs that the Court awards. Class Counsel have asked the Court to award attorneys' fees and expenses in the amount of ten million dollars (\$10,000,000). Costco has filed a brief challenging the amount requested.

The Amended Settlement provides that each Class Representative will receive an incentive fee not to exceed \$2,000 each for the time and effort they have put into this case on behalf of the Class. The Court will determine the amount of any incentive fees, which will be deducted from the fees and costs award to Class Counsel.

Costco has paid the costs of notifying the class members of the Original Settlement and Amended Settlement and of administering the proposed settlement process.

11. HOW DO I TELL THE COURT THAT I DON'T LIKE THE AMENDED SETTLEMENT?

If you are a Class Member, you can object to the Amended Settlement if you don't think the Amended Settlement is fair, reasonable, or adequate. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must prepare an objection which includes (1) the name of this lawsuit, *In re Motor Fuel Sales Practices Litigation*, MDL Docket No. 1840; (2) your full name, current address, e-mail address (if objecting electronically), and telephone number; (3) the reasons you object to the Amended Settlement; and (4) your signature (or an electronic signature consisting of "/s" plus your typed name). You must submit your objection **no later than February 17, 2012**, via First Class U.S. Mail or online at <http://www.Costco.com/fuelsettlement.pdf>.

U.S. Mail: If you object by mail, you must send a copy of your objection to each of the following addresses:

COURT	CLASS COUNSEL	COSTCO COUNSEL
Clerk of the Court	Robert A. Horn	David F. McDowell
United States District Court	Horn Aylward & Bandy, LLC	Morrison & Foerster LLP
500 State Ave.	2600 Grand Blvd., Ste. 1100	555 W. Fifth St., Suite 3500
259 U.S. Courthouse	Kansas City, MO 64108	Los Angeles, CA 90013
Kansas City, KS 66101		

YOU MAY NOT SUBMIT AN OBJECTION IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS.

12. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?

Objecting is simply telling the Court that you don't like something about the Amended Settlement. You can object to the temperature-correcting pump conversion and related releases only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be included in the Amended Settlement. If you exclude yourself, you have no basis to object to the Amended Settlement and related releases because the settlement no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing on March 22, 2012, to decide whether to approve the Amended Settlement. You may attend and you may ask to speak, but you don't have to do either.

13. WHEN AND WHERE WILL THE COURT DECIDE TO APPROVE THE AMENDED SETTLEMENT?

The Court will hold a Fairness Hearing at 9:30 a.m. on March 22, 2012 at Courtroom 476 of the United States District Court for the District of Kansas, 500 State Avenue, 259 U.S. Courthouse, Kansas City, Kansas 66101. At this hearing, the Court will consider whether the Amended Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to people who have submitted timely requests to speak at the hearing. The Court may also decide how much Class Counsel will receive as attorneys' fees and

expenses. After the hearing, the Court will decide whether to approve the Amended Settlement. We do not know how long these decisions will take.

14. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

15. MAY I SPEAK AT THE HEARING?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must submit a "Notice of Intention to Appear in the Motor Fuel case." You must include your name, address, telephone number, and your signature, and you must identify the points you wish to speak about at the hearing, enclose copies of any documents you intend to rely on at the hearing, and state whether you intend to have a lawyer speak on your behalf.

Your Notice of Intention to Appear must be submitted via First Class U.S. Mail to the Court, Class Counsel, and Costco Counsel (at the addresses contained in section 11 above). You must submit your Notice of Intention to Appear **by February 17, 2012**. You cannot speak at the hearing if you have excluded yourself from the settlement.

16. WHAT HAPPENS IF I DO NOTHING?

If you do nothing, you will be included in the class. You will be bound by the terms and conditions of the Amended Settlement. You will not be able to pursue any other lawsuit against Costco concerning or relating to the claims alleged in these lawsuits. If the Amended Settlement is approved, the claims against Costco will be completely "released." This means that you cannot sue Costco for money damages or other relief based on the claims in these lawsuits. Class Members agree to forever release all claims even if they later discover new facts about the claims in these lawsuits. This includes any claims whether known or unknown, suspected or unsuspected, contingent or non-contingent.

17. ARE THERE MORE DETAILS ABOUT THE AMENDED SETTLEMENT?

This notice summarizes the Amended Settlement. More details are in the Amended Settlement itself. You can get a copy of the Amended Settlement, briefing regarding Class Counsel's fee request, and other information relevant to final approval of the Amended Settlement at <http://www.Costco.com/fuelsettlement.pdf> or at the Office of the Clerk, United States District Court, 500 State Ave., 259 U.S. Courthouse, Kansas City, KS 66101, during the hours of 9:00 a.m. to 4:30 p.m., Monday through Friday, except holidays. Information regarding the class action lawsuits is available at the Court's website, <http://www.ksd.uscourts.gov/motor-fuel-temperature-sales-practices-litigation/>.

18. HOW DO I GET MORE INFORMATION?

If you have questions about the case, you can write to HORN AYLWARD & BANDY, LLC, ATTN: COSTCO SETTLEMENT, 2600 Grand Blvd., Ste. 1100, Kansas City, MO 64108.

Please do not contact the Court with questions.